

A View From The Bridge

Major Commanders Training Symposium



VADM Terry Etnyre

12 June 2007



Symposium Agenda

Day 1

- View From the Bridge
- Media and the Military
- Chief Readiness Officer
- LCS CLASSRON
- Navy Budget Overview
- SWE Personnel Readiness
- Force Training
- ATG Process Improvement

Day 2

- Force JAG
- SWE Sustainment and Modernization
- Force Supply
- Force Master Chief
- SWOS
- BMD
- Surface Community



CNO Guidance

2007: Focus on Execution

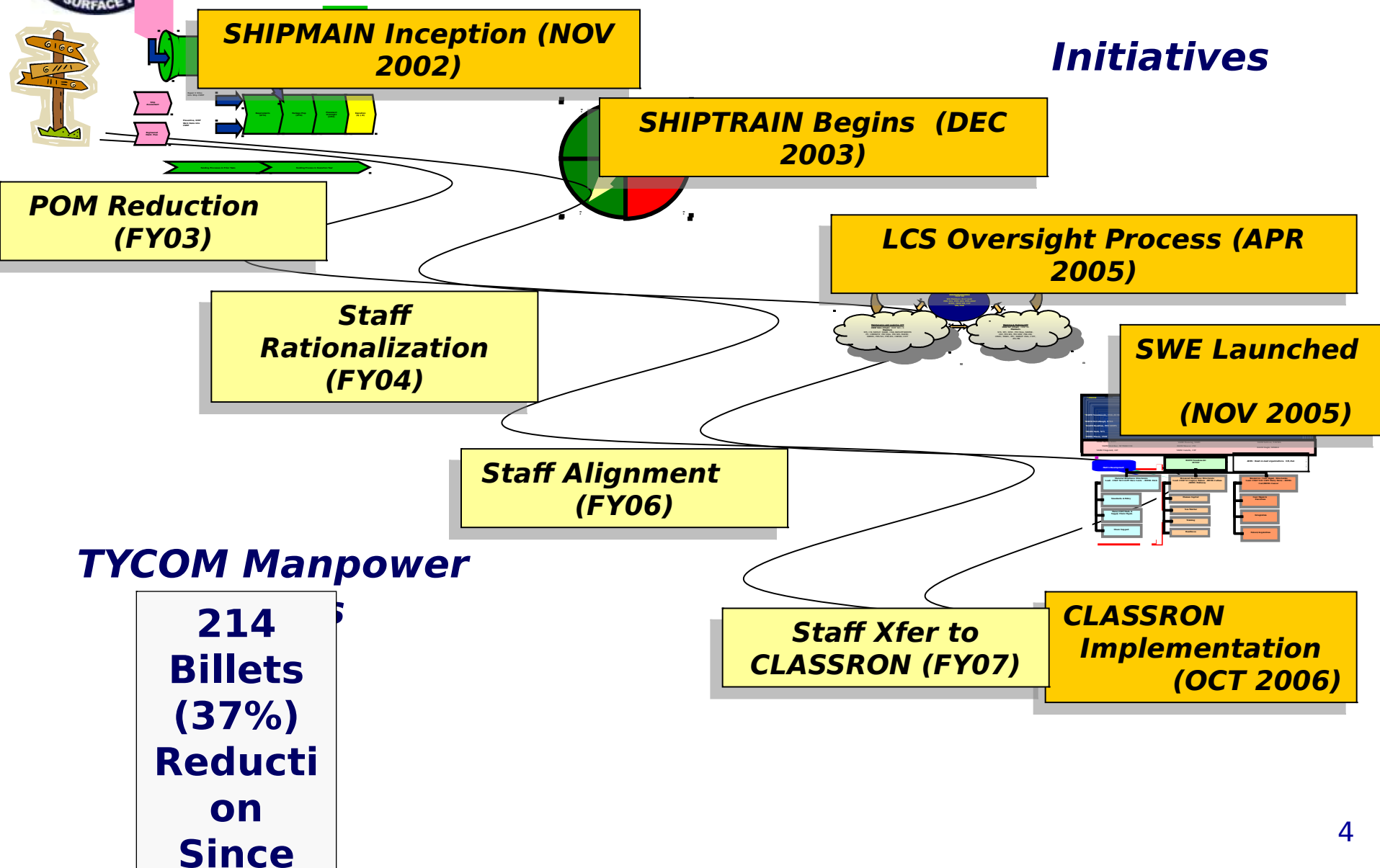
- Sustain Combat Readiness
 - SWE
 - CLASSRON
 - Continuous Training
 - Maintenance/ Modernization & Sustainment Concepts
- Build a Fleet for the Future
 - LCS, LPD 17, DDG 1000
- Develop 21st Century Leaders
 - Resetting the Force
 - Diversity

***CNO Priorities
= SWE
Priorities***



Enterprise Journey

Initiatives





Why Enterprise?

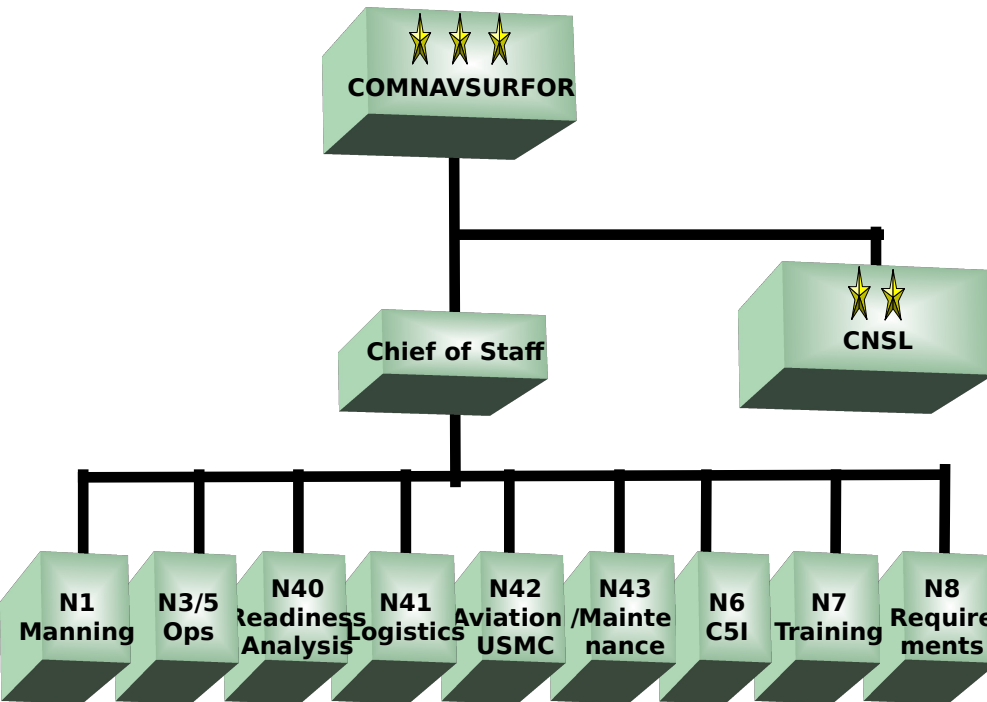
- Organizational Alignment of Surface Leadership allows for more-informed decisions
- Process Alignment and Efficiencies Improve Operational Readiness
- Takes Advantage of the Intellectual Capital of man

C² Organizations Cannot Run a Business

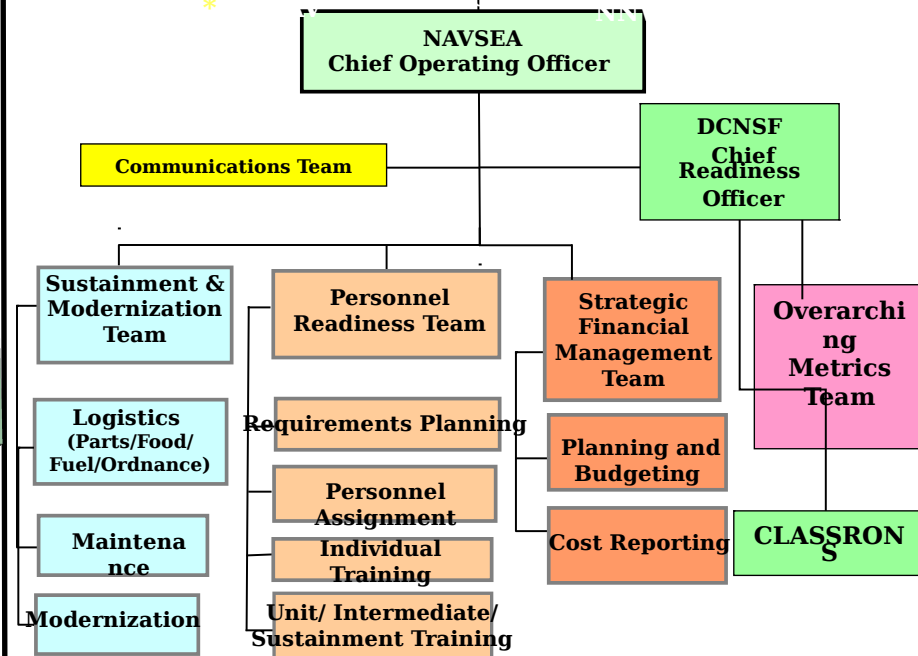
Maximizes Productivity to Deliver the Most Warfighting Capability to the Fleet



TYCOM C² vs SWE



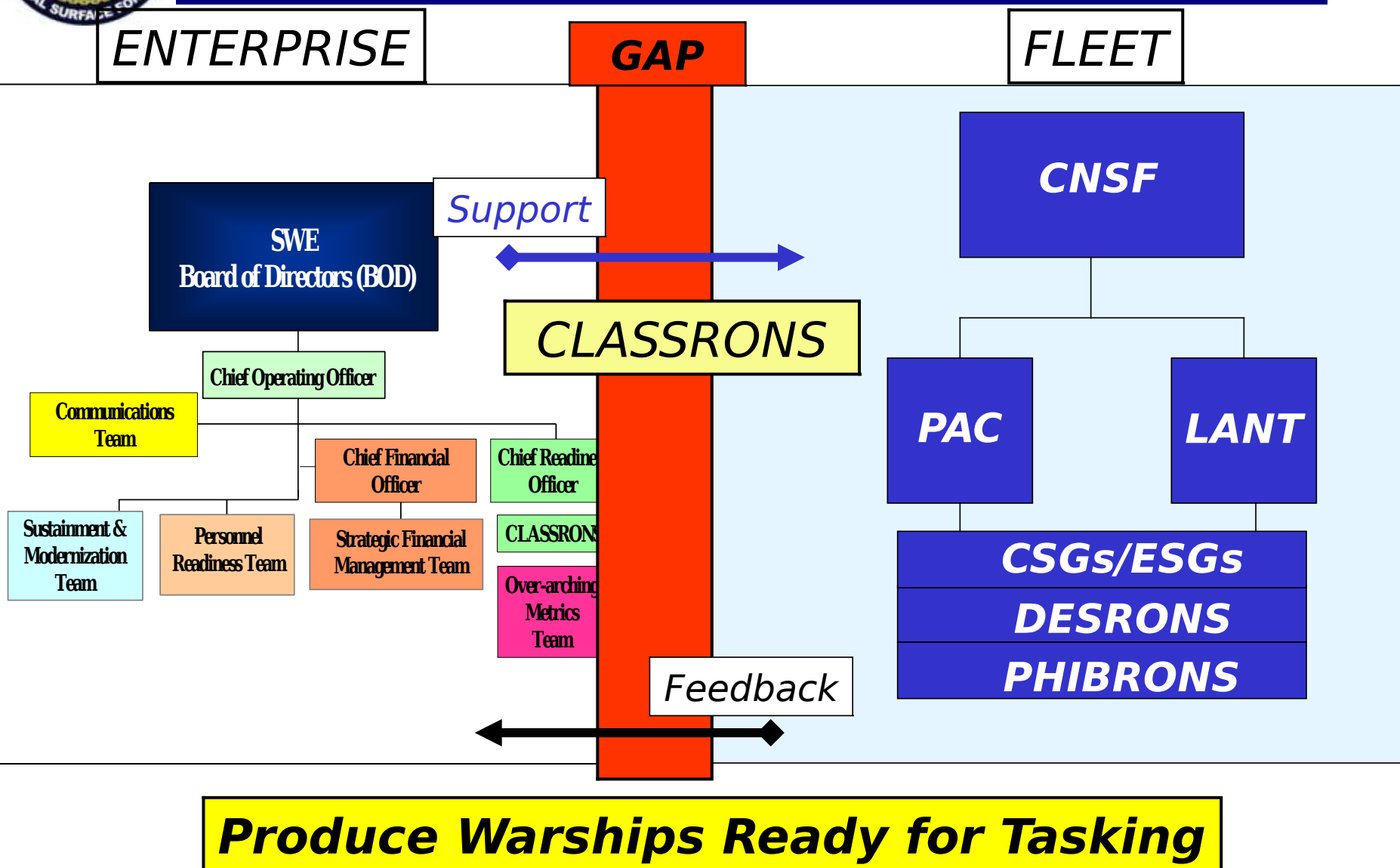
**Readiness
Policy & Execution**



Business Processes



CLASSRON: SWE/ Warship Enabler





Surface Warfare Enterprise

Generating Warfighting Readiness

Corporate Model

Leadership

BOD

Legal
HR
Marketing
Safety
Accounting
Acquisition
New Business
Contracting

Management

CORPORATE

Aligned Along Product Lines

Product Lines

PRODUC T
PRODUC T
PRODUC T

Given:

Manpower Account
Productivity Measurements
Productivity Targets

Safety Goals
Budget Lines
Sales Targets

SWE Board of Directors (BOD)

* **EXCOMM**

*VADM Etnyre, CNSF

*VADM Sullivan, NAVSEA

RADM Thompson, NAVSUP RDML McManamon V-NAVSE

*RADM Curtis, DCNSF/CNSL

RADM Klein, INSURV

*RADM McCullough, OPNAV N8F

OPNAV N41

RDML Shatynski, CNSF

*MGEN Benes, OPNAV N85

RADM Reilly, MSC

RDML Guillory, OPNAV N86B

*RADM Goddard, PEO SHIPS

RADM Hugel, SEA 04

RDML Deets, NNWC

*RDML Campbell, OPNAV N41

RDML Orzalli, RMC Commander

RDML Barnett, OPNAV N85B

RDML Hebner, PERS4

Jeff Klein, SPAWAR

RDML Carr, OPNAV N86F

James Thomsen, PEO LMW

Atlanti

Pacific

TYCOM

Budget
Safety Statistics
Best Practices
Marketing
Legal
POM

Management

CRO

Alignment
Along
Product Lines

LHA/LHD

LSD/LPD

CG

DDG

FFG

MCM

PC

LCS

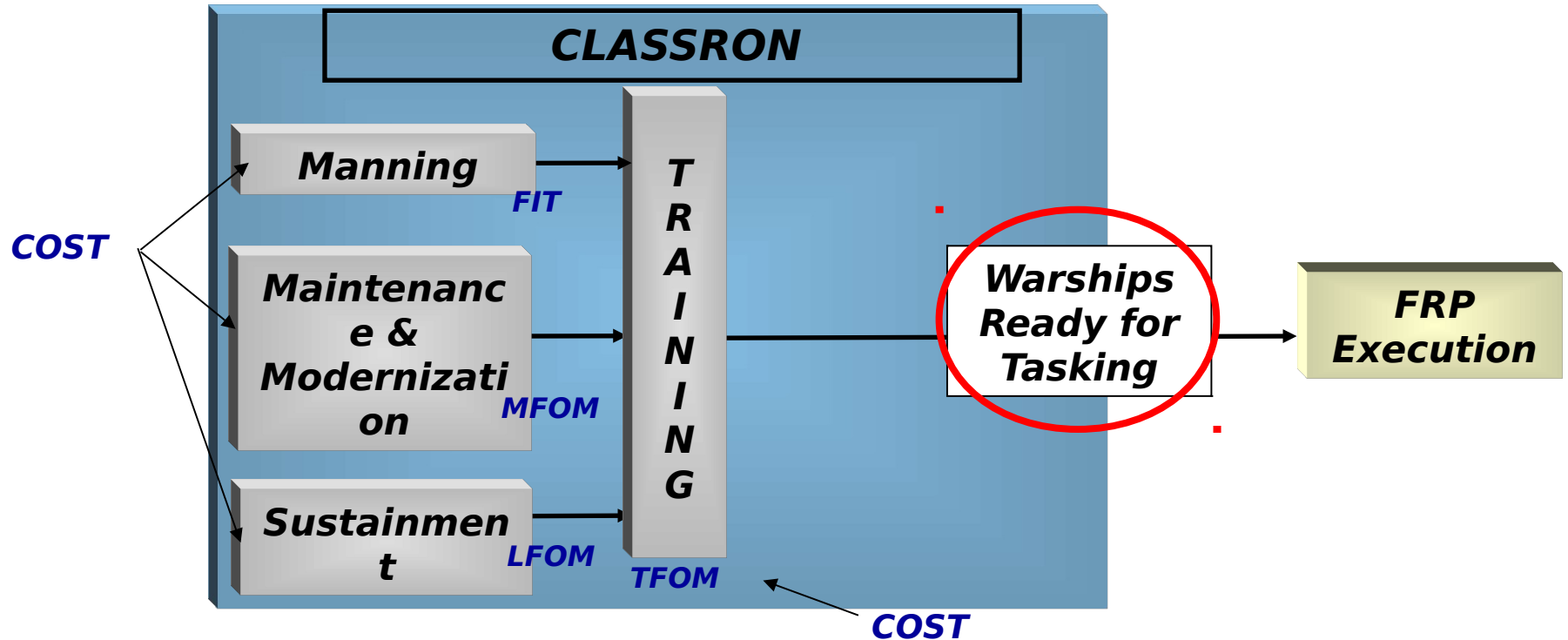
CLASSRONS

ATG

RMC



Surface Force Readiness



Understanding and Controlling Costs drives Productivity

Accountability is Key



SWE Strategic Plan

- ***Objectives***

- Produce prescribed levels of warfighting readiness
- Deliver and retain a diverse mix of people
- Establish a strategic financial management process
- Implement standardized cost management processes and financial metrics
- Lower Total Ownership Costs
- Improve Enterprise maturity

- ***Desired Effects***

- Aligned Surface Leadership producing informed decisions
- Understanding costs and drivers of readiness
- Consumption to output culture that enables increased productivity and readiness

***Our Product: Warships Ready For
Tasking***

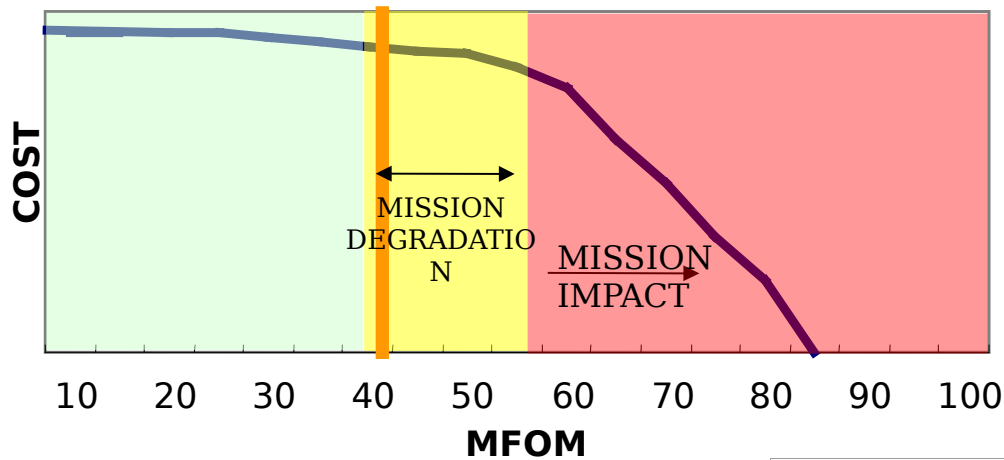


Enterprise Processes

- Transparent
 - APL Changes, Best Value, Performance Based Logistics
- Enabling
 - Distance Support, Remote Monitoring
- Waterfront Execution
 - SHIPMAIN, SHIPTRAIN

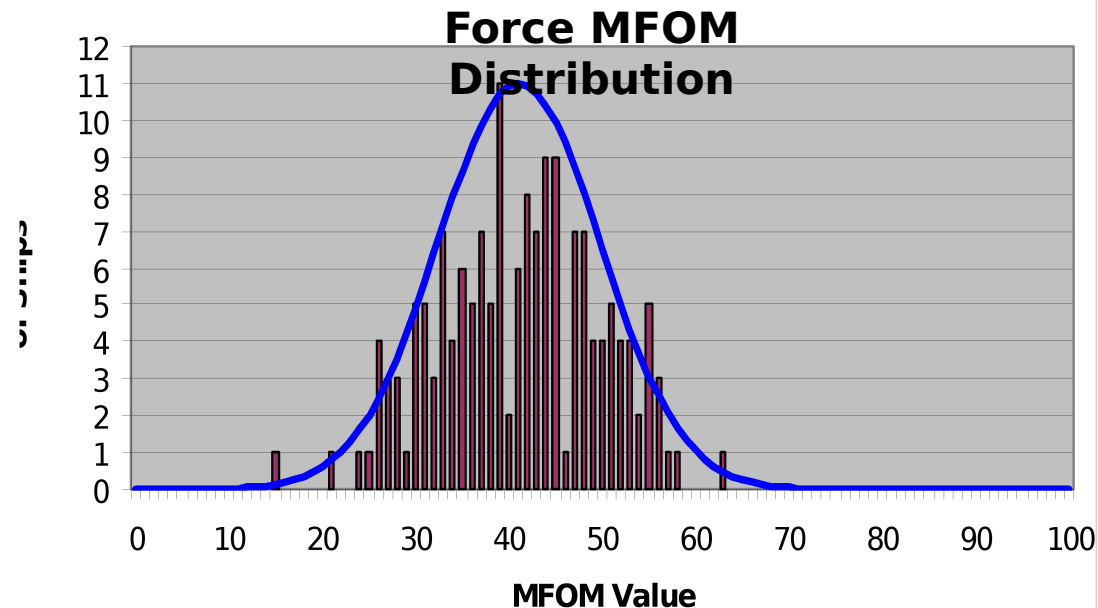


Readiness / MFOM Relationship



***The Right
Maintenance at the
Right Time for the
Right Cost***

**FORCE MFOM
AVG: 41**





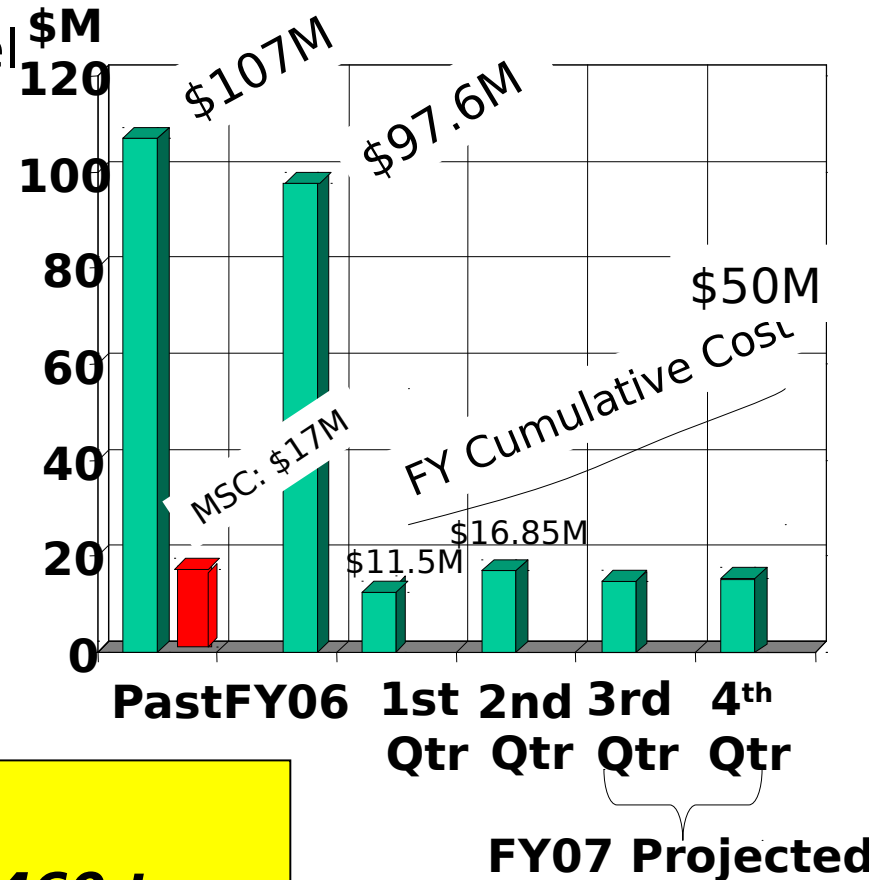
Diesel Engine Reliability

- Fully Implemented LSD 41/49 Diesel Engine Improvements

- Continuous Assessment
- Condition-Based Maintenance
- Lube Oil Quality Management

- Completed LPD-17 Baseline Assessments

- Rolling out to SSDGs on FFGs and MCMs



- ***Ao Increased: .55 to .80***

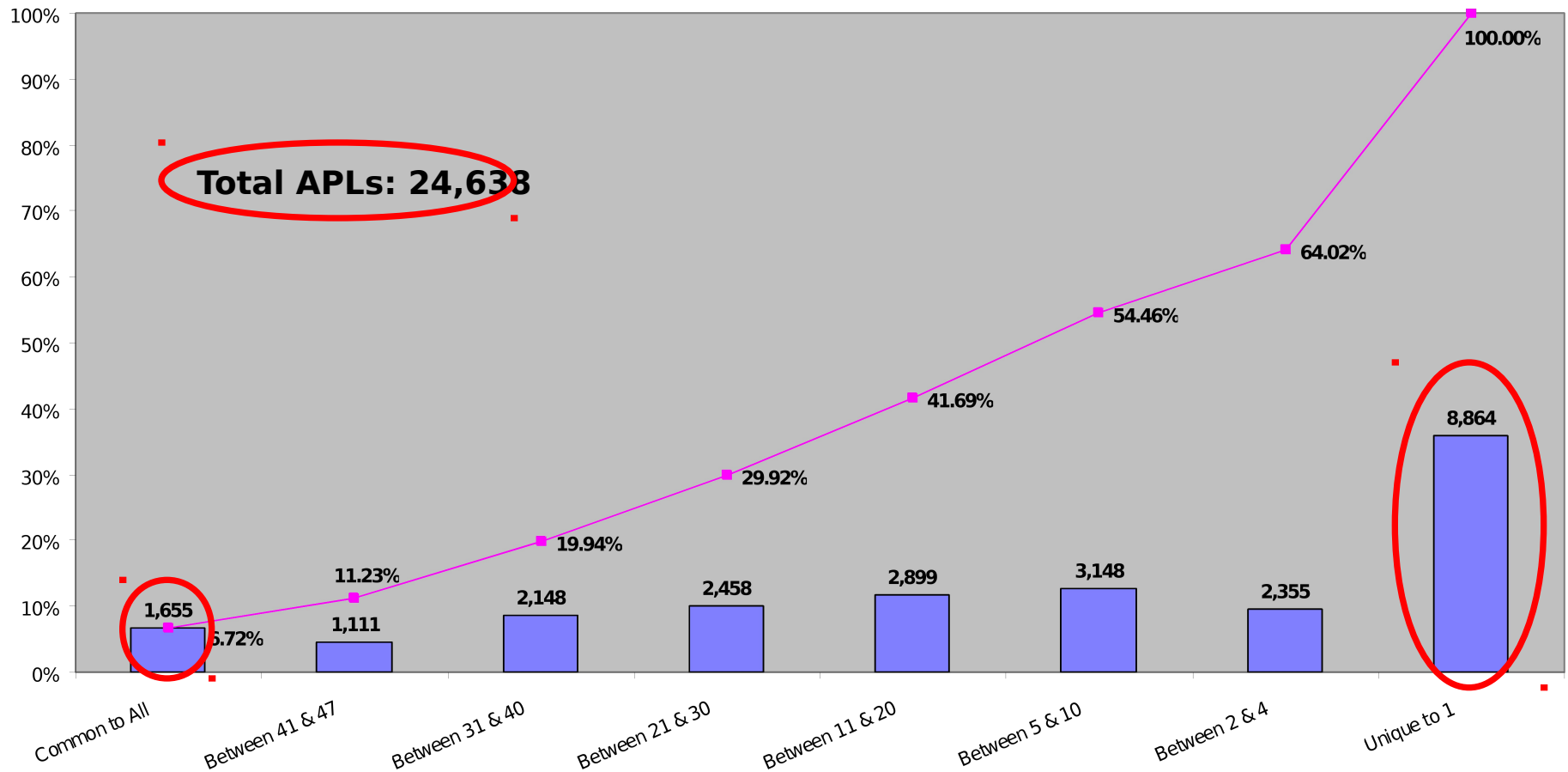
- ***MTBF for MPDE Increased: 460 to 580***

- ***PMS Based Inspections reduced by 56%***



DDG 51 Class Commonality

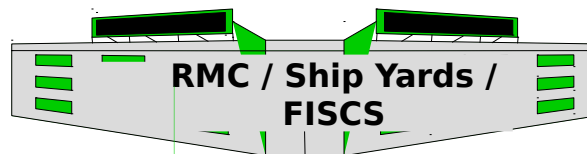
DDG 51 Class APL Commonality



**Drives Higher Life Cycle Support Costs...
Negative Impact on Readiness**



Best Value Process



BVSPT

NAVSUP 04
NSLC Mech
PEO LMW
NAVICP 02, 85
NAVSISA
FISC Norfolk
MARMC 500

Best Value Process

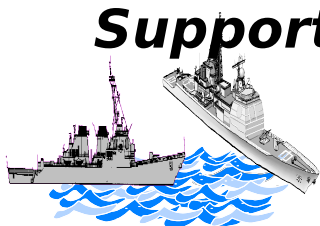
**Candidates - technical acceptance
& supportability**

- Reduces Total Ownership Cost
- Lowers Acquisition Cost
- Accounts for Fleet Population
- Assesses Vendor Quality & Delivery

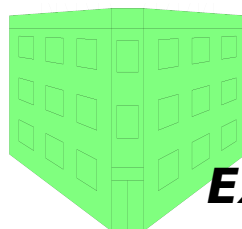
NAVSEA 04L
NNSY 200

PNSY 200
PEO IWS
PEO Ships
NSDWCCD
NSLC Mayport
FFC N43

**Fleet / CLASSRON
Support**



**NAVICP
HME STD
EXCOMM WG#3**



**Goal: Standard Best Value process that
incorporates stakeholder customer
requirements**



Best Value Process Results

2 inch Gate Valve Example

APL	Fleet Pop	End Item Niin	Pressure	End Conn	Material	Acquisition Cost	CAGE	Delivery Risk	Quality Risk	Normalized Cost Score	Best Value Score	COG
882049161	504	011487389	00600.0	SWLDG	CRBNSTL	88.6	63220	1.25	1.25	1.51	148.5725	98
882047473	356	011487389	00600.0	SWLDG	CRBNSTL	88.6	57574	4	1	0.91	267.145	98
882047969	764	004830677	00400.0	SWLDG UN	BRZ	198.12	76364	2	1	0.41	309.465	38
882049539R	85	004830677		MTHRD	BRZ	198.12	03950	1.25	1.25	7.19	427.355	38
882049041	208	002887168	00150.0	FLGE	BRZ	334.23	82666	1.25	1.25	1.20	447.835	98
882047490	10061	004830677	00400.0	UN	BRZ	198.12	03950	1.25	1.25	8.57	461.99	38
882047490R	50	004830677		SBU	BRZ	198.12	03950	1.25	1.25	10.08	499.7325	38
882047969	136	004830677	00400.0	BTWLD UN	BRZ	198.12	76364	2	1	7.82	531.885	38
882049539	1104	004830677	00400.0	MTHRD	BRZ	198.12	03950	1.25	1.25	11.56	536.565	38
882047998	180	004830677	00400.0	SWLDG UN	BRZ	198.12	76364	2	1	8.34	547.236	38
882049781	304	012200835	00100.0	FLGE	BRZ	503.14	30263	1	1	3.11	565.29	98
882047532A	2280	004830677	00400.0	MTHRD UN	BRZ	198.12	03950	1.25	1.25	13.21	578.0025	38
88A030374	600	015108576	00400.0	SBU	BRZ	420.02	76364	2	1	0.04	631.281	98
882049932	78	011415051	00150.0	FLGE	CRBNSTL	386.42	63686	1.25	1.25	8.49	695.365	98
882047532R	413	004830677		SBU	BRZ	198.12	03950	1.25	1.25	18.16	701.585	38
882047532	7212	004830677	00400.0	SBU	BRZ	198.12	80064	1.25	1.25	18.58	712.1575	38
882042632	18	011489365	00150.0	FLGE	SSTL	482.13	48422	1.25	1.25	4.57	717.015	98
882049932R	20	011415051		FLGE	CRBNSTL	386.42	63686	1.25	1.25	10.00	733.025	98
88A030408	142	014408008		SWLDG	FSTL	195	63220	1.25	1.25	19.70	736.3325	98
882040153	66	004830677	00300.0	FPT	BRZ	198.12	63686	1.25	1.25	19.70	740.2325	38
882041349	235	004830677	00100.0	FLGE	BRZ	198.12	63686	1.25	1.25	19.70	740.2325	38
882041670	331	004830677	00200.0	SBU	BRZ	198.12	03950	1.25	1.25	19.70	740.2325	38
882041814	5190	004830677	00200.0	SBU	BRZ	198.12	03950	1.25	1.25	19.70	740.2325	38
882042625	18	004830677	00125.0	SB	BRZ	198.12	63686	1.25	1.25	19.70	740.2325	38
882043090	40	004830677	00200.0	SB	BRZ	198.12	63686	1.25	1.25	19.70	740.2325	38
882043097		004830677	00400.0	UN	BRZ	198.12	03950	1.25	1.25	19.70	740.2325	38
882045498	27	004830677	00150.0	FLGE	BRZ	198.12	48422	1.25	1.25	19.70	740.2325	38
882046126	232	004830677	00200.0	SBU	BRZ	198.12	63686	1.25	1.25	19.70	740.2325	38
882046928		004830677	00200.0	SBU	BRZ	198.12	15809	1.25	1.25	19.70	740.2325	38
882046985		004830677	00125.0	FPT	BRZ	198.12	14448	1.25	1.25	19.70	740.2325	38
882047490F	2	004830677	00400.0	UN	BRZ	198.12	80064	1.25	1.25	19.70	740.2325	38
882047634	628	004329585	00400.0	SBU	BRZ	311.1	03950	1.25	1.25	16.08	790.825	98
882045193R	282	004830677		SBU	BRZ	198.12	03950	1.25	1.25	22.97	821.955	38
882046498	590	002779848	00100.0	FLGE	BRZ	451.11	76364	2	1	5.57	843.801	
883041662	5	014535108	00400.0	SWLDG	BRZ	182.16	76364	2	1	19.70	864.339	
88A040467	6	015236222	00385.0		BRZ	183.29	76364	2	1	19.70	866.034	
882045193	13774	004830677	00400.0	SBU	BRZ	198.12	76364	2	1	19.70	888.279	

Best Value APL and associated NSN. (Flowserve Inc.)

Represents additional top performers that could fill customer requirement based on application, availability, ACWT, etc., until Commodity Contracts are in place.

Flowserve vs Competitors

-Initial Acq savings (approx)= \$740K

-Sustainment (FY05-present) = \$864K

• **Represents the Best Value APL and associated NSN by CAGE**

• **Results ranked according to BV Score.**

• **Total Ownership Cost is normalized across fleet**

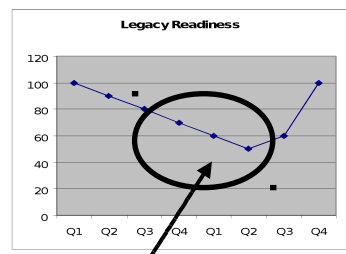
(APLs 882049161 vs



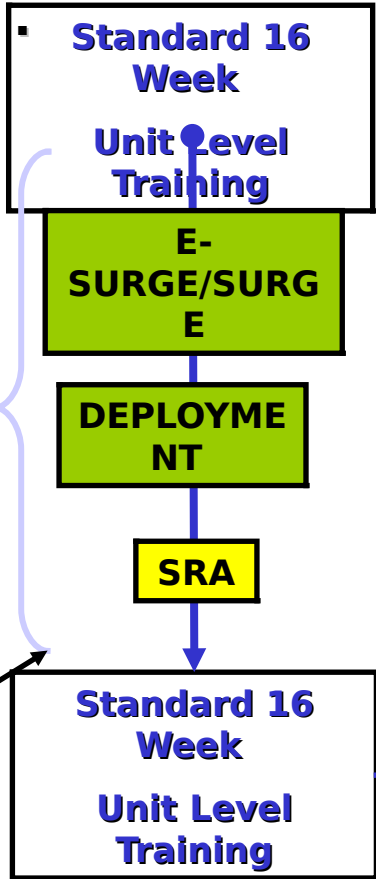
Continuous Training

Yesterday's Legacy Training

Basic Phase:
16 wks



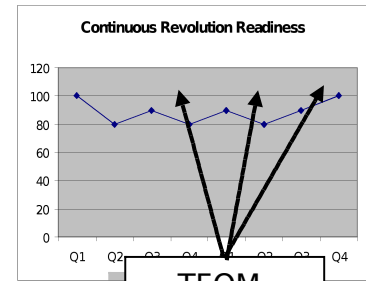
Cyclical
"Bathtub"
Readiness



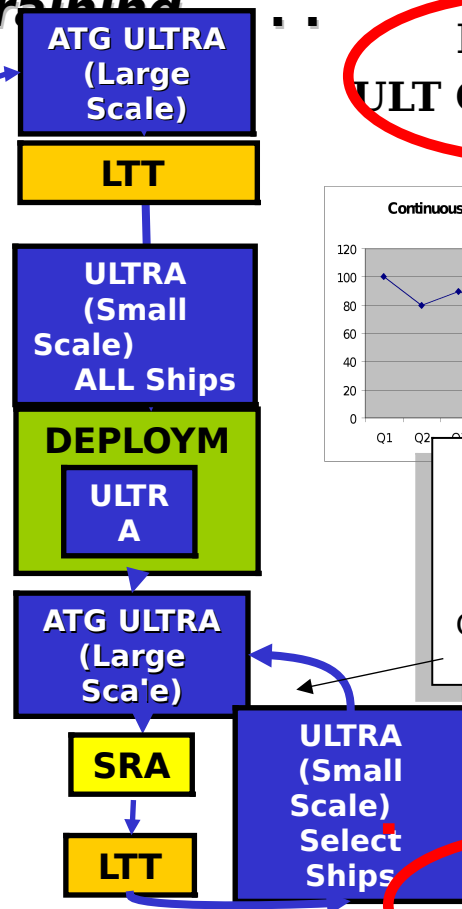
24 month
Employment
Period

Today's Continuous Training

Phase I:
ULT Goal: 10 wks



TFOM-driven
Mid-Course
Corrections
th
Employment
Period



Phase II:
ULT Goal: 3-4 wks

Adds 3 Months of Availability Back to FRP



A Fleet for the Future

Type/Class	Required
Aircraft Carriers	11
Surface Combatants	88
Littoral Combat Ships	55
Attack Submarines	48
Cruise Missile Submarines	4
Ballistic Missile Submarines	14
Expeditionary Warfare Ships	31
Combat Logistics Force	30
Maritime Prepositioning Force (Future)	12
Support Vessels	20
Total Naval Force	313



***Stable Shipbuilding Plan:
Balance Capability with
Affordability***



Littoral Combat Ship

**USS FREEDOM - Lockheed Martin
Delivery - May 08**



**USS INDEPENDENCE - General Dynamics
Delivery - June 08**

- **Spiral Development**
- **Reconfigurable Mission Modules**
 - **MIW, ASW, SUW**
- **Optimally Manned Crew of 75**
- **Multi-Crewing for Core Crew (4:3)**
- **Hybrid Sailors, Trained to Qualify**
- **Heavy Reliance on Shore Based Simulators**
- **Workload shifted ashore**
- **New Acquisition Strategy**
 - **Restructuring procurement plan**
 - **Increasing Navy Oversight**
 - **Shift to single design in 2010**

***Comprises nearly 20%
of 313 Shipbuilding
Plan***



Modernization

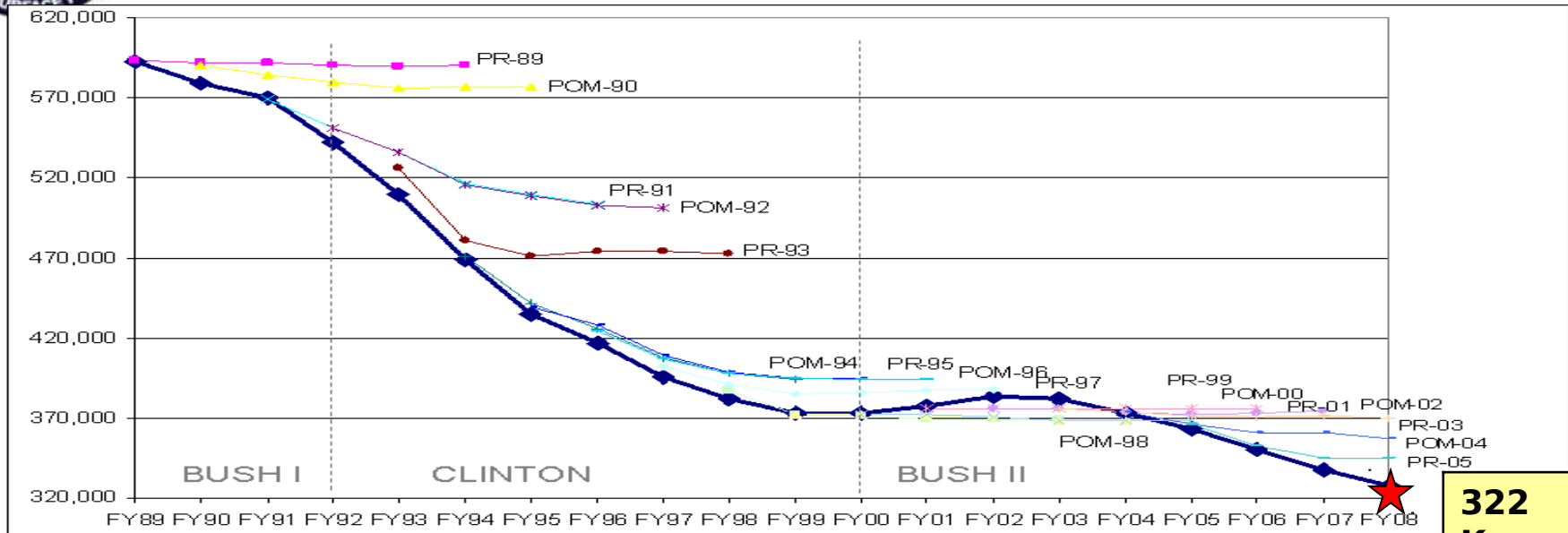
- Critical to get full service life from our existing ships
 - CG and DDG Modernization
 - LSD 41/49 Mid-Life Program
 - LHA Mid Life
- Avoiding early-retirement requires commitment to keeping these ships relevant



Getting full service lives from existing ships is a critical component of the 313 Ship Plan



Sizing, Stabilizing, & Shaping the Force



- **Historically, Navy manpower has declined as force structure was removed.**
- **We are attempting to reach steady state strength while increasing force structure.**
 - From ~12K reductions per year to ~3K reductions per year
 - Reach steady state by FY11
- **Natural behavior and “culture” makes this challenging: requires the right balance and monitoring of accessions and attrition.**

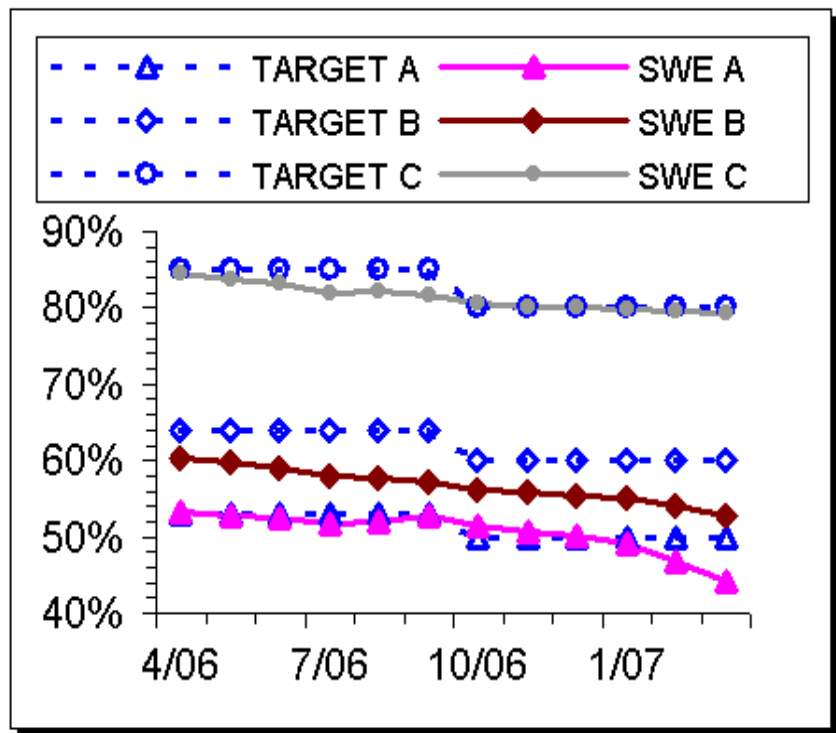
Size of the Force is good...properly Shaping the Force is our challenge

Influence the Right People to Stay Navy

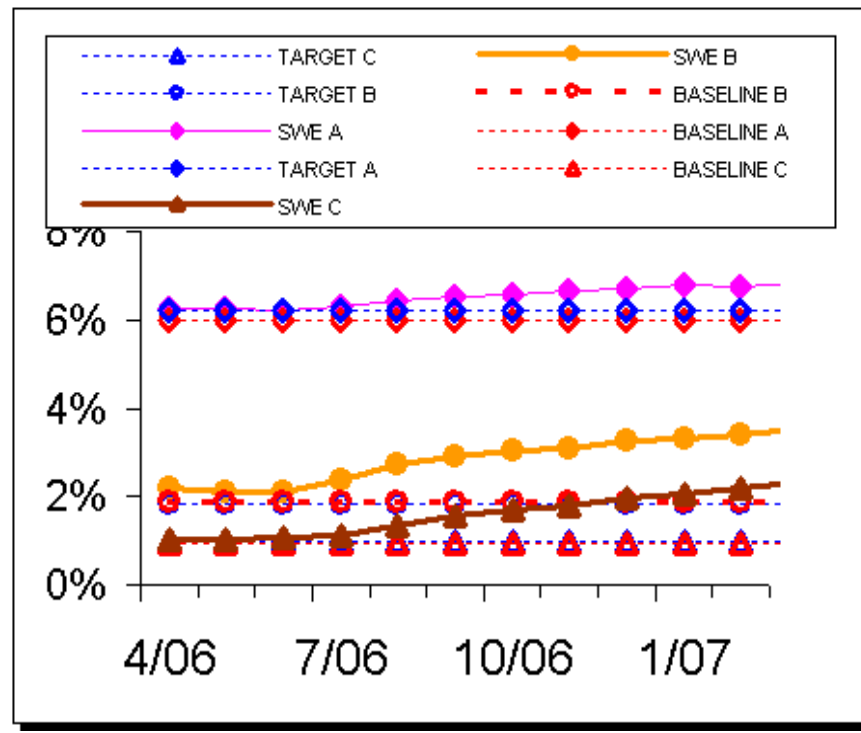


Enlisted Retention & Attrition

Enlisted Retention



Enlisted Attrition



Navy / SWE are losing critical Enlisted Sailors In Zones A & B



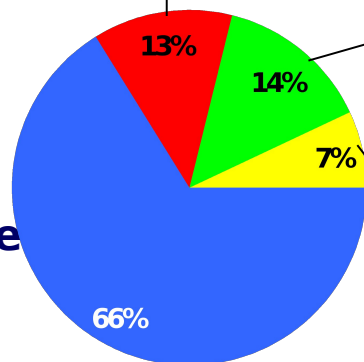
The Diversity Campaign

Three Phase Plan

- ☑ Phase 1 - Assessment
- ☑ Phase 2 - Decisive Action
- ☐ Phase 3 - Sustainment / Accountability

SWE Diversity Actions

- Diversity Office Standup
- Mapping SWE Diversity Profile
- Diversity Website creation
- Collecting Mentoring Best Practices
- "Opportunity to Compete" for billets on major Joint and Navy HQ Staffs
- Reaching out to NROTC, CNRC, and NETC
- Work/ Life Balance for Female Sailors



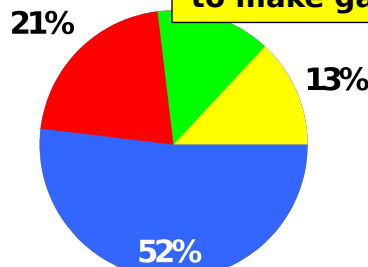
African American

Enlisted - Continue to assess more than national demographic
Officer - Work to expand the pie

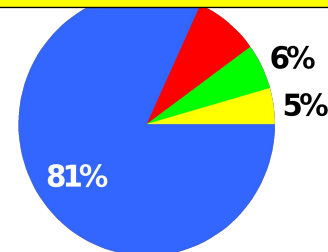
Enlisted - Need to expand our position as national demographics shift
Officer - Engagement to reach the market
HENAAC/ANSO/SHPE

Asian / Pacific Islander

Enlisted - Maintain our solid position
Officer - Large % of college grads, tech grads - opportunity to make gains



Enlisted



Officer

Diversity - A Strategic Imperative



Discussion

